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ABSTRACT

A total of 160 companies supplied information for the 29th annual report regarding the employment of college graduates in business. Most are large or medium-size corporations that regularly recruit college men and women. A total of 31 percent of these companies plan to contact fewer colleges in 1975, but 29 percent will contact more schools. The companies expect to hire almost exactly the number of men with bachelor's degrees they hired from 1974 classes. No decrease is indicated. Also, they expect to hire 7 percent more women graduates. In greatest demand are men in engineering, accounting, business administration, and sales, and women in accounting, general business, data processing, and engineering. Almost all of these companies will raise starting salaries. Predicted averages for 1975 indicate that bachelor's degree graduates in engineering will be offered about $1,062 per month, accountants about $990, graduates in business administration about $814, and liberal arts graduates about $776 per month. Almost all of the companies that reported starting salaries for both men and women indicated they were the same. Although there has been a somewhat restricted job market for college graduates in recent years, the responding companies report that from 23-33 percent of the men employed three years ago have left. (Author/PG)

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THE ENDICOTT REPORT

TRENDS IN THE EMPLOYMENT OF COLLEGE AND UNIVERSITY GRADUATES IN BUSINESS AND INDUSTRY

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1975

TWENTY-NINTH ANNUAL REPORT

A SURVEY OF 160 WELL-KNOWN BUSINESS AND INDUSTRIAL CONCERNS

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INTRODUCTORY STATEMENT

This is the twenty-ninth annual survey of policy and practice in the employment of college and university graduates in business and industry. A total of 160 well-known companies responded to the inquiry. All but a few are large or medium sized corporations. Almost all of these companies have recruited college graduates for many years. Reports came from 23 states and Washington, D.C., representing all major regions of the nation.

Survey forms were returned during the period from November 1 to November 25, 1974. At that time, there were indications of a developing economic downtrend. Some companies, especially the automobile manufacturers, were experiencing a sharp drop in sales. Consumer prices continued to rise. Unemployment was increasing.

It was clear from company responses that some corporations were planning to reduce substantially the number of college and university graduates to be employed from 1975 classes. Economic uncertainty made it difficult, if not impossible, to indicate their needs for the coming year.

Although a good many companies reported that fewer graduates would be employed, others indicated that more graduates would be needed. These companies expected continued growth and expansion.

Mixed feelings regarding the business outlook were reflected by the fact that 28% of the companies indicated that 1975 would be a better business year than 1974 while 30% stated that it would not be as good.

SOURCES OF DATA

The 160 responding companies represent a variety of business interests. They are classified as follows:

Light Manufacturing	28	Building Materials & Construction	5
Machinery and Heavy Equipment	21	Carriers	5
Utilities	19	Public Accounting	5
Insurance	12	Oil	4
Banking and Investments	11	Paper and Paper Products	4
Retail Store and Mail Order	9	Automobile and Aircraft	2
Drugs and Chemicals	8	Printing and Publishing	2
Food and Grain Processing	6	Textiles and Clothing	2
Research and Engineering	6	Advertising	2
Steel and Other Metals	5	Miscellaneous	4

The cooperation of the many personnel executives who supplied information for this report is greatly appreciated and care has been taken not to identify the responding companies in any way.

The general business outlook for 1975, as estimated by the responding companies, was as follows:

Better than 1974	28%
About the same as 1974	42%
Not as good as 1974	30%
Number of companies reporting	147

PROJECTED RATE OF INFLATION

Respondents were asked to indicate what annual rate of inflation the company is taking into account in making plans for 1975 and 1976.

The range of projected inflation for 1975 was from 5% to 15% with a distinct cluster at the median, which was 10%. A total of 101 companies responded to this question.

For 1976, the range of projected inflation was from 4% to 14% with a median of 8%. A total of 74 companies responded.

NEEDS FOR COLLEGE GRADUATES FROM 1975 CLASSES

	Bachelor's Degree (Men)	Master's Degree (Men)	Bachelor's Degree (Women)
Total needs UP	50%	35%	56%
Total needs SAME as last year	9%	21%	21%
Total needs DOWN	41%	44%	23%
Number of companies reporting	130	82	118

PLANS FOR RECRUITING FROM 1975 CLASSES

Plan to contact MORE colleges next year	29%
Plan to contact SAME NUMBER of colleges next year	40%
Plan to contact FEWER colleges next year	31%
Number of companies reporting	154

THE EMPLOYMENT OF INEXPERIENCED COLLEGE MEN DURING THE PAST YEAR AND FOR NEXT YEAR AS REPORTED BY 140 COMPANIES*

BACHELOR'S LEVEL

	Past year (1974)		Next year (1975)	
	No. Companies	No. Men	No. Companies	No. Men
Engineering	83	3658	84	3777
Accounting	80	2582	83	2843
Sales - Marketing	55	1391	59	1483
Business Administration	69	1644	72	1454
Liberal Arts	47	726	39	654
Production Management	20	88	24	100
Chemistry	24	87	22	111
Mathematics - Statistics	48	372	43	300
Economics - Finance	36	209	35	165
Other Fields	36	343	33	299
TOTALS - BACHELOR'S LEVEL		11,100		11,186

MASTER'S LEVEL

Engineering	32	475	28	423
Other Technical Fields	22	145	19	114
MBA with Technical BS	22	144	23	155
MBA with Non-technical BA	50	437	45	400
Accounting	14	773	15	817
Other Non-technical Fields	18	143	12	131
TOTALS - MASTER'S LEVEL		2,117		2,040

Engineering, Bachelor's Level, UP for 1975... 3% Master's Level, DOWN for 1975..11%

Non-Engineering, Bachelor's, DOWN for 1975... ½% Master's Level, DOWN for 1975.. 2%

TOTALS, Bachelor's Level, UP for 1975... 1% Master's Level, DOWN for 1975.. 4%

*Estimates of hirings for 1975 were made by these companies before the effect of a possible business decline was known.

COLLEGE MEN TO BE HIRED AT VARIOUS SALARY LEVELS
BACHELOR'S DEGREE - 1975 CLASSES

(Number of hiring companies in parentheses)

Field	$750 or Less	$751 to $800	$801 to $850	$851 to $900	$901 to $950	$951 to $1000	$1001 to $1050	$1051 to $1100	Over $1100	Average Starting Salary*
Engineering (84)			60 (1)	2 (2)	13 (4)	182 (22)	1705 (29)	1077 (18)	738 (8)	$1062
Accounting (83)	2 (1)	42 (8)	43 (9)	96 (22)	151 (21)	2077 (14)	412 (6)	20 (2)		$990
Sales - Mktg. (59)	30 (6)	856 (16)	89 (9)	305 (15)	94 (6)	34 (6)			75 (1)	$862
Bus. Admin. (72)	321 (8)	196 (18)	582 (17)	304 (20)	36 (7)	15 (2)				$814
Lib. Arts (39)	272 (8)	99 (13)	245 (10)	20 (6)	8 (1)	10 (1)				$776
Prod. Mgt. (24)	1 (1)	3 (2)	2 (1)	45 (7)	15 (6)	21 (5)	3 (1)	10 (1)		$928
Chemistry (22)	2 (1)		1 (1)	4 (3)	23 (7)	22 (4)	59 (6)			$992
Math-Stat (43)	1 (1)	12 (3)	74 (7)	39 (11)	87 (9)	47 (8)	40 (4)			$915
Econ-Finance (35)	2 (2)	40 (9)	66 (8)	27 (10)	22 (5)	8 (1)				$851
Other (33)	4 (1)	38 (6)	1 (1)	141 (6)	55 (8)	39 (7)	16 (3)	5 (1)		872

*Salary averages take into account the number of men to be hired at each salary level. Monthly Salaries.

CORRESPONDING AVERAGES PAID LAST YEAR (1974)
FOR MEN WITH BACHELOR'S DEGREES ARE AS FOLLOWS:

Engineering	$995	Production Management	$886
Accounting	$956	Chemistry	$930
Sales-Marketing	$840	Math-Statistics	$870
Business Administration	$777	Econ-Finance	$842
Liberal Arts	$745	Other Fields	$864

COLLEGE MEN TO BE HIRED AT VARIOUS SALARY LEVELS
MASTER'S DEGREE - 1975 CLASSES

(Number of hiring companies in parentheses)

Field	$1000 or Less	$1001 to $1050	$1051 to $1100	$1101 to $1150	$1151 to $1200	$1201 to $1250	$1251 to $1300	$1301 to $1350	Over $1350	Average Starting Salary*
Engineering			2	20	112	257	32			$1223
(28)			(1)	(4)	(12)	(8)	(3)			
Other Tech. Fields	1	16	2	22	58	15				$1155
(19)	(1)	(3)	(1)	(5)	(6)	(3)				
MBA with Tech. BS	2		8	2	14	34	69	12	14	$1267
(23)	(1)		(1)	(1)	(5)	(6)	(3)	(1)	(5)	
MBA with Non-technical BA	13	10	26	17	11	189	67	49	18	$1237
(45)	(5)	(4)	(8)	(3)	(4)	(8)	(2)	(7)	(4)	
Accounting		6	1	11	195	136	465		3	$1256
(15)		(2)	(1)	(3)	(2)	(4)	(2)		(1)	
Other Non-tech Fields	6	1	61	1			62			$1180
(12)	(3)	(1)	(6)	(1)			(1)			

*Salary averages take into account the number of men to be hired at each salary level. Monthly Salaries.

CORRESPONDING AVERAGES PAID LAST YEAR (1974)
FOR MEN WITH THE MASTER'S DEGREE

Engineering	$1144
Other Technical Fields	$1092
MBA with Technical BS	$1225
MBA with Non-technical BA	$1190
Accounting	$1221
Other Fields	$1113

THE EMPLOYMENT OF COLLEGE WOMEN

Responses from 126 companies indicated that a total of 1990 college women were employed from 1974 classes. These companies reported that they will be able to hire a total of 2139 women from graduating classes in 1975. This is an increase of 7%.

The employment of college women from 1975 classes is summarized below:

Field	Number of Companies	Number of Women	Average Starting Salary
Accounting	35	475	$986
General Business	58	627	$840
Data Processing	33	217	$885
Engineering	38	110	$1075
Marketing-Retailing	17	119	$814
Liberal Arts	23	266	$784
Science	14	55	$950
Math-Statistics	13	72	$918
Other Fields	13	57	$825

(Monthly Salaries)

FACTORS DETERMINING NEEDS

Responding companies were asked to indicate the most significant factors in determining the need to hire MORE college graduates from 1975 classes and also the factors which determine the need for FEWER.

Companies planning to employ MORE graduates in 1975 indicated the following reasons:

	Number of Companies
Company growth and expansion	24
Improved business outlook - Projected increase in sales - Greater demand for services	12
Increased production - New products	6
Upgrading the management pool - Shortage of young managers - Need new talent - Need more minorities in management	6
More turnover - More retirements	4
Did not hire enough last year	2
More grads available - Less competitive job market	2

Reasons for employing FEWER graduates in 1975:

Economic slowdown - Business downtrend - Uncertain conditions - Lower profit - Inflation - Anticipated drop in sales	43
Plant expansion curtailed - Increased building costs	6
Less turnover	6
Excellent results from recruiting in recent years	4
Energy shortage	3
Better utilization of present personnel	3

TURNOVER RATES

An attempt was made to determine turnover rates for recently employed college graduates. Respondents were asked to indicate the percentage of loss during the first three years of employment. It was clear that, in many companies, turnover is not regularly calculated. However, useful information came from 76 companies.

Zero turnover was reported for at least one of the three years by about 15% of the companies. In others, loss rates ranged from 2% to more than 40%. Median rates of turnover were as follows:

	First Year	Second Year	Third Year	3-Year Total
MEN - Engineering and other Technical Fields	8%	8%	7%	23%
MEN - Business Administration and other Non-tech Fields	11%	12%	10%	33%
WOMEN - All Fields	14%	12%	10%	36%

AVERAGE MONTHLY EARNINGS OF COLLEGE MEN EMPLOYED 5 YEARS AGO (CLASS OF 1969)

Field	No. of Co's.	No. of Men	$1100 or Less	$1101 to $1200	$1201 to $1300	$1301 to $1400	$1401 to $1500	$1501 to $1600	$1601 to $1700	Over $1700	Average Monthly Salary*
ENG.	46	920		6	12	17	5	2	3	1	$1362
ACCT'G	41	928	6	8	10	7	5	1	1	3	$1322
SALES	24	310	6	3	3	6	3	2	1		$1290
GEN. BUS.	51	2263	16	14	5	5	5	2	1	3	$1271

AVERAGE MONTHLY EARNINGS OF COLLEGE MEN EMPLOYED 10 YEARS AGO (CLASS OF 1964)

Field	No. of Co's.	No. of Men	$1200 or Less	$1201 to $1300	$1301 to $1400	$1401 to $1500	$1501 to $1600	$1601 to $1700	$1701 to $1800	Over $1800	Average Monthly Salary*
ENG.	34	590			2	6	7	8	5	6	$1674
ACCT'G.	26	282	2	1	2	6	4	4	2	5	$1718
SALES	18	190		4	2		2	1	3	6	$1760
GEN. BUS.	45	1108	6	6	5	7	5	3	3	10	$1645

*Salary figures are the average of company responses to the question which follows: "Please estimate, as accurately as you can, the average monthly earnings now (November, 1974) for men whom you hired from the graduating classes of 1969 and 1964 and who started with you in the fields indicated."

QUESTIONS ASKED BY EMPLOYERS DURING THE INTERVIEW WITH COLLEGE SENIORS

Many college students are interested in what goes on during an employment interview. In order to be helpful, respondents to this year's inquiry were invited to list two or three questions which are asked by recruiters and which are useful in determining employability.

A total of 258 questions were submitted. They are classified below:

Number of Companies	General Classification
36	Goals and purposes - Life purposes - Career objectives
33	Type of work desired - Kind of job - Job expectations
29	Reasons for selection of company - Knowledge of company
27	Personal qualifications - Strengths and weaknesses
23	Career choice - Reasons for decisions
22	Qualifications for the job - How college education has prepared the candidate
21	Educational choices and plans - Choice of college - Choice of major
21	Geographical preferences - Willingness to relocate
20	Major achievement and acomplishments
6	Extracurricular activities - Extent of participation
5	Academic strengths and weaknesses - Grades
5	College subjects - Those liked most and least
5	Summer and part-time employment - What interested candidate most
3	Willingness to travel
2	Others
258	

Fifty Questions Asked by Employers During the Interview with College Seniors

1. What are your long range and short range goals and objectives, when and why did you establish these goals and how are you preparing yourself to achieve them?
2. What specific goals, other than those related to your occupation, have you established for yourself for the next 10 years?
3. What do you see yourself doing five years from now?
4. What do you really want to do in life?
5. What are your long range career objectives?
6. How do you plan to achieve your career goals?
7. What are the most important rewards you expect in your business career?
8. What do you expect to be earning in five years?
9. Why did you choose the career for which you are preparing?
10. Which is more important to you, the money or the type of job?
11. What do you consider to be your greatest strengths and weaknesses?
12. How would you describe yourself?
13. How do you think a friend or professor who knows you well would describe you?
14. What motivates you to put forth your greatest effort?
15. How has your college experience prepared you for a business career?
16. Why should I hire you?
17. What qualifications do you have that make you think that you will be successful in business?
18. How do you determine or evaluate success?
19. What do you think it takes to be successful in a company like ours?
20. In what ways do you think you can make a contribution to our company?
21. What qualities should a successful manager possess?
22. Describe the relationship that should exist between a supervisor and those reporting to him or her.
23. What two or three accomplishments have given you the most satisfaction? Why?
24. Describe your most rewarding college experience.
25. If you were hiring a graduate for this position, what qualities would you look for?

Questions asked by employers - Continued

26. Why did you select your college or university?
27. What led you to choose your field of major study?
28. What college subjects did you like best? Why?
29. What college subjects did you like least? Why?
30. If you could do so, how whould you plan your academic study differently? Why?
31. What changes would you make in your college or university? Why?
32. Do you have plans for continued study? An advanced degree?
33. Do you think that your grades are a good indication of your academic achievement?
34. What have you learned from participation in extra-curricular activities?
35. In what kind of a work environment are you most comfortable?
36. How do you work under pressure?
37. In what part-time or summer jobs have you been most interested? Why?
38. How would you describe the ideal job for you following graduation?
39. Why did you decide to seek a position with this company?
40. What do you know about our company?
41. What two or three things are most important to you in your job?
42. Are you seeking employment in a company of a certain size? Why?
43. What criteria are you using to evaluate the company for which you hope to work?
44. Do you have a geographical preference? Why?
45. Will you relocate? Does relocation bother you?
46. Are you willing to travel?
47. Are you willing to spend at least six months as a trainee?
48. Why do you think you might like to live in the community in which our company is located?
49. What major problem have you encountered and how did you deal with it?
50. What have you learned from your mistakes?

SUMMARY AND TRENDS

A total of 160 companies supplied information for the twenty-ninth annual report regarding the employment of college graduates in business. Most are large or medium-sized corporations which regularly recruit college men and women.

Company responses were received during the early weeks of November, 1974. There was much talk and some evidence of a business decline. Nevertheless, when asked to describe the business outlook for their company in 1975, 30% indicated that 1975 would not be as good as 1974 but 28%, an almost equal number, stated that 1975 would be better.

A total of 31% of these companies plan to contact fewer colleges in 1975 but 29% will contact more schools. The companies expect to hire almost exactly the number of men with bachelor's degrees they hired from 1974 classes. No decrease is indicated. Also, they expect to hire 7% more women graduates. A decline of 4% is predicted.

In greatest demand are men in engineering, accounting, business administration, and sales and women in accounting, general business, data processing, and engineering. In previous studies, employers have reported that there are very few women engineers and not enough women in accounting and business administration.

Almost all of these companies will raise starting salaries. Predicted averages for 1975 indicate that bachelor's degree graduates in engineering will be offered about $1062 per month, accountants about $990, graduates in business administration about $814, and liberal arts graduates about $776 per month. Almost all of the companies which reported starting salaries for both men and women indicated that there was no difference. In fact, in engineering, general business, and liberal arts, the averages for women are slightly higher than those for men.

Master's degree graduates in engineering will receive, on the average, about $1223 per month, those in accounting about $1256, and those with the M.B.A. about $1267 if they earned an undergraduate degree in technical fields. M.B.A. graduates with non-technical bachelor's degrees will receive about $1237 per month.

Although there has been a somewhat restricted job market for college graduates in recent years, the responding companies report that from 23% to 33% of the men employed three years ago have left. The loss of college women is reported to be 36% over the three year period.

CONCLUDING STATEMENT

It is important to express appreciation for the interest and cooperation of the many personnel executives who supplied information upon which this report is based. It is hoped that the findings will be helpful.

Northwestern University

Frank S. Endicott
December, 1974

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